

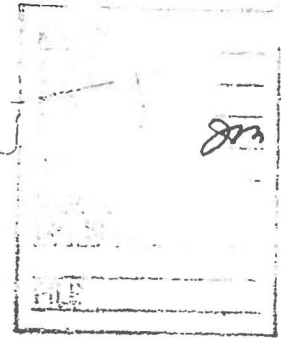


EXPLORATION AND DEVELOPMENT CORPORATION

G. WARNOCK
PRESIDENT

H. B. (CHICK) WARNOCK
SENIOR VICE PRESIDENT

V. MONDRAGON
VICE PRESIDENT/CONTROLLER



March 23, 1984

Mr. Thomas Lynch
Real Property Management
Bureau of Indian Affairs
Navajo Area Office
Windowrock, Arizona 86515

Re: BIA Lease #N00-C-14-20-8396
SW $\frac{1}{4}$ Section 18, T13N, R10W, NMPM

Dear Mr. Lynch:

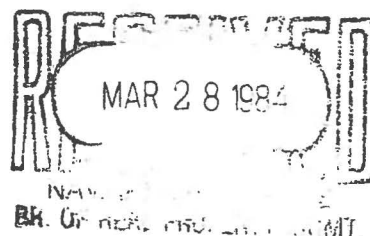
In compliance with our Uranium Lease Contract, Section X, Paragraph 8, concerning the acreage disturbed and rehabilitated, and methods of rehabilitation, the following report is submitted.

To date, approximately 15.5 acres have been disturbed. Of this disturbed acreage, 40% has been reclaimed by minor recontouring and plugging of drill holes with cuttings and/or nearby surface material, which is then capped with a five-foot cement plug. The remaining acreage consists of an access and drill road. This year the drill holes were drilled in the middle of the existing road and therefore resulted in minimal surface disturbance.

Sincerely,

Toren K. Olson
Geologist

TKO:dtw





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Dear Mr. Lynch:

Due to an oversight, this report is late and I would like to apologize for any inconvenience which may have resulted.

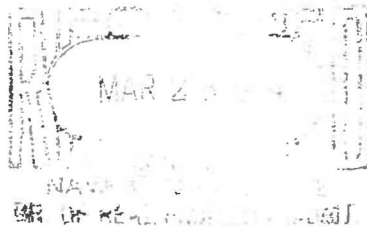
Enclosed is the Annual Operations Report and Statement of Expenditures on the above-referenced lease. This accounting statement for the period of January 1, 1983 to January 1, 1984 is a true and correct accounting as to expenditures made on this lease.

Sincerely,

Toren K. Olson

Toren K. Olson
Geologist

TKO:dtw
Enclosures
cc: Dale Jones
STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)



The foregoing was acknowledged before me, a Notary Public for the State of New Mexico, on March 23, 1983, by Toren K. Olson.

My Commission Expires: 7/7/84

Dale Jones

BIA Lease #N00-C-14-20-8396

1983 Expenditures

Stewart Brothers Drilling - 1,250' @ \$2.20/ft	\$2,750.00
Dalton Well Logging	1,066.41
950 Cat Front-end Loader, Salary & Fuel (5 hours)	125.00

Man Hours

Toren Olson	152.38
Richard Trout	<u>76.19</u>

TOTAL EXPENDITURES	<u>\$4,169.98</u>
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ANNUAL OPERATIONS REPORT

December 31, 1982 to December 31, 1983

Operator: Todilto Exploration and Development Corporation
Lease Number: N00-C-14-20-8396
Lease Location: SW $\frac{1}{4}$ Section 18, T13N, R10W, NMPM
Lease Acreage: 163.38

EXISTING CONDITIONS

The southwest quarter of Section 18 lies in T13N, R10W, of McKinley County. Access to the area can be reached by three major dirt roads from either Highway 53 or old U.S. 66.

Physiographically, the mining area is in the Colorado Plateau province. The most prominent feature is Haystack Mountain, which has a maximum elevation of 7,833 feet and is a flat-topped elongated mesa. Elevation varies from 6,900 to 7,700 feet.

Geology locally consists of Cretaceous Dakota sandstone, Jurassic Morrison, which includes the Brushy Basin, Westwater Canyon and the Recapture members, the Bluff sandstone and portions of the Summerville formation, all which are restricted to exposures along Haystack Butte. Exposures of Jurassic Todilto limestone and Entrada sandstone are found along a bluff below a bench just south of Section 18. Structurally, beds generally dip from 30° to 50° northeast. Minor east-west and northeasterly-trending normal faults displace beds from 1 to 85 feet.

No surface water exists in or around the southwest quarter of Section 18. Several small arroyos cut the area with general drainage to the southeast. Ground water aquifers are stratigraphically far below any of the mine workings and were not affected by the operation.

The climate is semi-arid, with an average annual precipitation of about 12 inches, occurring mostly as rain in July and August. Snowfall is light and varies between a few inches to one foot with intermittent melting to bare ground most winters.

Surface cover consists of blow sand on the bench area with talus of Dakota sandstone blocks and other unconsolidated formational material along the southeast side of Haystack.

Vegetation is extremely sparse and consists of an upper Sonoran grassland community with a scattered population of Pinon and Juniper. Wildlife consists of rabbits, lizards, a variety of birds, and an occasional coyote. No known endangered species of flora and fauna inhabit this lease.

Population centers near the southwest quarter of Section 18 are Prewitt, approximately 6 miles southwest, and Grants, approximately 25 miles southeast. Population in the immediate area is approximately 20 people.

An archeological survey was conducted by the University of New Mexico Office of Contract Archeology (#185.16a). A total of eight archeological sites were located during the survey, three of which probably date to the Puebloan phase of occupation, while the remainder date to the Late Historic Navajo Period. The conclusion of the survey stated that there would be no impact on cultural material from the drilling program submitted.

Mineral rights to the southwest quarter of Section 18 belong to Brown Vandever, who was allotted the land from the Bureau of Indian Affairs. The land is used locally by the owners for grazing. Portions of the area have been fenced off for livestock control.

RECLAMATION CONDUCTED

Total surface disturbance to date has been 15.5 acres by surface drilling and drill road construction. Reclamation continues, with minor recontouring of drill pad areas and plugging of drill holes with chips and/or nearby surface material.

REMAINING RECLAMATION

The total lease acreage disturbed to date, but not reclaimed during this reporting period, is 9 acres. This remaining disturbed acreage constitutes our drill road and will be reclaimed when it is of no further benefit to our exploration program.

OPERATIONS CONDUCTED

The operations conducted during this reporting period involved the regrading and drill site leveling of an existing access road, the drilling of 3 drill holes (see Map #103-007-015-18-D-13), surveying in the drill hole locations, and the reclamation of the drill holes.

The grading and drill site leveling of the access road was performed by a 950 Cat front-end loader. This renovation of the road was approximately 60' in length and 14' in width, totaling less than 1/10 of an acre disturbed.

Drilling involved the completion of three drill holes (M-330, 490' in depth; M-331, 430' in depth; and M-332, 420' in depth), totaling 1,250'. Both drill holes M-331 and M-332 encountered mineralization, and M-330 had no mineralization. The drilling was performed by Stewart Brothers of Grants and the logging was conducted by Dalton using gamma, resistivity and SP suite. Copies of the logs and engineering sheet are attached.

The 3 holes drilled were along the projected trend of the Federal Mine. As a result of this year's drilling at least one additional drill hole is recommended at this elevation to determine if ore grade mineralization is present between holes M-331 and M-332.

LEASE ACREAGE DISTURBED

Surface disturbance was negligible. The mobilization drilling and demobilization of the drilling rig, water truck, drillers pick-up and geological field vehicle were confined to the existing access roads already constructed and utilized by the people living in the surrounding area. Of the existing access road, less than 1/10 of an acre was freshly bladed to allow easier access to the drill sites and to minimize surface disturbance.

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Serial No. 100-C-14-20-

Land Office 396

Mineral Uranium

Prospecting Permit Report for XXXXXX Ending 12/31/83
Year

Navajo-allotted uranium lease NOO-C-14-20-8396, SW, Section 18, T13N, R10W, N4PM
Todiito Exploration & Development Corporation

(Submit one copy of this report to Regional Mining Supervisor, U. S. Geological Survey, before the end of the month following the report period)

	DESIGNATION OR NAME OF PROSPECT	FEET DRIVEN OR SUNK			THICKNESS OF ORE BODY	STATE IF PROSPECT IS COMPLETED OR ABANDONED
		This XXXXXX Year	Previously Reported	Total to Date		
BORE HOLES	3 Holes	1,250	27,830	29,080		
OPEN CUTS	332 holes to date					
SHAFTS OR SLOPES						
DRIFTS OR TUNNELS						

Samples taken for analyses or examination during period, number
(Bore holes in or through migratory or valuable deposits are to be cemented and abandoned under the directions of the Regional Mining Supervisor)

List maps, logs, samples, and analyses included with this report: Drill Hole Summary Map
103-007-015-18-D-13, lithologic logs

Cost of prospecting and development work done during year 12/31/83 \$ 4,169.98
XXXXXX

Permittee is requested to furnish in duplicate a map or sketch indicating position of drill holes, shafts, drifts, or slopes with reference to Government lands, giving the thicknesses of deposits found. Copies of the analyses, logs of all test holes, shafts, and tunnels are to be submitted in duplicate to Regional Mining Supervisor immediately upon completion, or on the suspension of work on them for an indefinite time. Abandonment forms are to be submitted for bore holes.

PRODUCTION AND SALES

PRODUCT	GRADE	TONS PRODUCED	TONS IN STORAGE	TONS DISPOSED OF	UNIT VALUE AT POINT OF SHIPMENT	TOTAL VALUE OF PRODUCT DISPOSED OF	ROYALTY	
							AT	%
							OR	\$
							A TON	
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	

Name Tom Dean Title Geologist Date 3-23-84

18 U. S. C., section 1001, makes it a criminal offense to make a willfully false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction

X	X	
X	X	

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

File No. 100-107-10340
BIA SW, Sec. 18, T13
R10

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL	SUBSEQUENT REPORT OF WATER SHUT OFF
NOTICE OF INTENTION TO CHANGE PLANS	SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING
NOTICE OF INTENTION TO TEST WATER SHUT OFF	SUBSEQUENT REPORT OF ALTERING CASING
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL	SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR
NOTICE OF INTENTION TO SHOOT OR ACIDIZE	SUBSEQUENT REPORT OF ABANDONMENT
NOTICE OF INTENTION TO PULL OR ALTER CASING	SUPPLEMENTARY WELL HISTORY
NOTICE OF INTENTION TO ABANDON WELL	

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT: NOTICE OR OTHER DATA)

Well No. M-330 to M-332 is located ft. from [N] line and ft. from [E] line of sec. 19
(see attached data sheets)
SW $\frac{1}{4}$ Section 18 13N 10W NMPM
(Twp) (Range) (Meridian)
McKinley New Mexico
(County) (State or Territory)

The elevation of the derrick floor above sea level is ft.

DETAILS OF WORK

(State names of, and expected depths to, objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work.)

Drilled March 28 & 29, 1983

Holes were plugged with chippings and/or nearby surface material, capped with 5' cement plug, staked with a 2" x 2" x 3' pine stake, identified with aluminum tags. Reclamation involved minor recontouring of surface relief where needed.

I understand that this plan of work must be approved by writing by the Geological Survey before operations may be commenced.

Company

Address

Approved:

By

Title

District Mining Supervisor

X	X	
X	X	

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

100-10-21-8336
BIA SW, Sec. 18, T13
R10

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL	SUBSEQUENT REPORT OF WATER SHUT OFF
NOTICE OF INTENTION TO CHANGE PLANS	SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING
NOTICE OF INTENTION TO TEST WATER SHUT OFF	SUBSEQUENT REPORT OF ALTERING CASING
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NOTICE OF INTENTION TO SHOOT OR ACIDIZE	SUBSEQUENT REPORT OF ABANDONMENT
NOTICE OF INTENTION TO PULL OR ALTER CASING	SUPPLEMENTARY WELL HISTORY
NOTICE OF INTENTION TO ABANDON WELL	

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Well No. M-330 to M-332 is located ft. from [N] line and ft. from [E] line of sec. (see attached data sheets)
SW₁ Section 18 13N 10W NMPM
(1/4 Sec. and Sec. No.) (Twp) (Range) (Municipality)
(Field) McKinley New Mexico
(County or Subcounty) (State or Territory)

The elevation of the derrick floor above sea level is ft.

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